

# Mergence ESG Equity Fund

31 October 2018 - Issued: 16 November 2018



MERGENCE

## OVERVIEW

### Equity Risk Profile



Generate capital growth over the long term and promote companies with better than average ESG performance

### Investment Style

Relative Return

### Benchmark

FTSE/JSE Shareholder Weighted Index [SWIX]

### Investment Vehicle

Segregated / Pooled

### Inception date

17 June 2010

### Number of Months

100

### Fund Size

R 372.947 million

### Minimum Investment

R 50 million / none for pooled

### Management Fee

Subject to mandate (usually between 0.55% and 0.70% per annum, excl VAT)

### Performance fees

Negotiable

## INVESTMENT OBJECTIVE

The objective of the Mergence ESG Equity Fund is to outperform the JSE Shareholder Weighted Index [SWIX] while investing in companies with better than average Environmental, Social and Governance performance.

The fund is constructed relative to a SWIX benchmark with overweight positions in those stocks that practice good governance, have a low environmental impact and conduct their business in a socially responsible manner.

The ESG performance of the holdings of the fund are monitored through objective measures and management interaction and the overall ESG performance of the fund is monitored versus benchmark to ensure that the fund is delivering on both its financial and ESG objectives.

## INVESTOR PROFILE

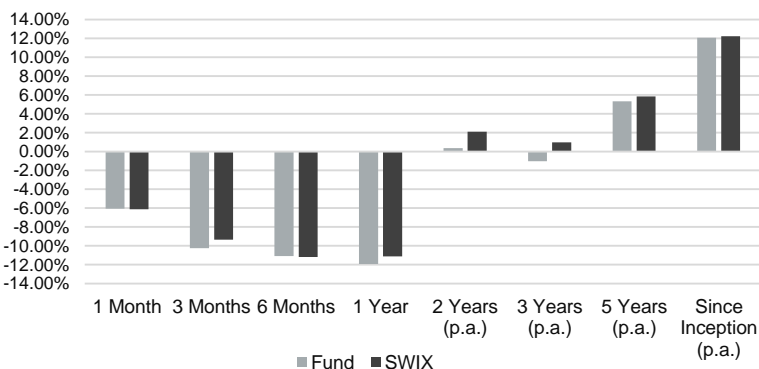
### The Fund is suitable for investors who:

- seek financial return whilst supporting responsible investing that promotes positive ESG practices by listed companies;
- believe long term equity exposure adds value;
- know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

## PERFORMANCE\*\* SUMMARY

Period	Fund	SWIX
Tracking Error	1.95%	
1 Month	-6.05%	-6.12%
3 Months	-10.26%	-9.35%
6 Months	-11.08%	-11.18%
1 Year	-11.92%	-11.10%
2 Years (p.a.)	0.37%	2.10%
3 Years (p.a.)	-1.03%	0.99%
5 Years (p.a.)	5.33%	5.83%
Since Inception (p.a.)	12.07%	12.25%

\*\* Returns are quoted gross of fees.



## CARBON FOOTPRINT

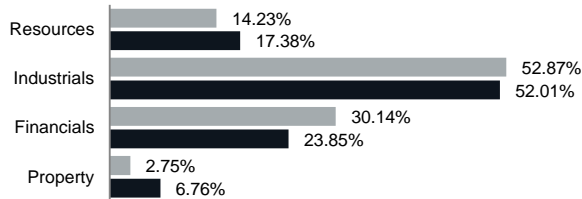
The Mergence ESG Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence ESG Fund's Carbon Footprint is available on request.

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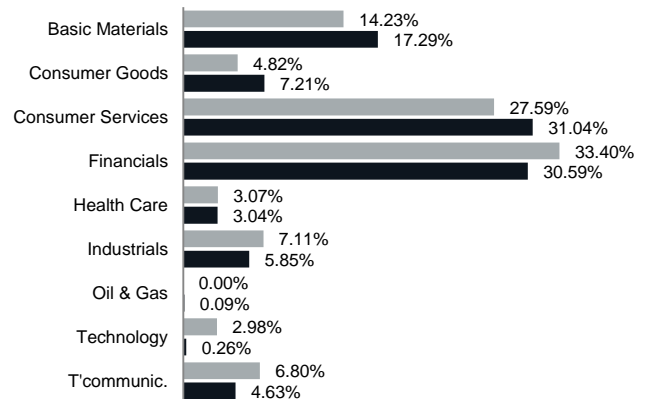


## BROAD SECTOR EXPOSURE



■ Mergence ESG Equity Fund ■ FTSE/JSE SWIX

## SECTOR EXPOSURE



## PORTFOLIO MANAGEMENT



**Bradley Preston**, BSc Hons, MSc (Financial Mathematics)

*Chief Investment Officer: Listed Investments*

Brad received his MSc in Financial Mathematics from UCT with distinction for his thesis focussing on derivative pricing. He joined Mergence Investment Managers in 2005 as part of the absolute return team. Brad currently heads up our equity investment product offering and is also Portfolio Manager of the Mergence ESG Equity Fund.



**Mark van Wyk**, B Com (Hons), CA (SA)

*Head: Unlisted Investments, Portfolio Manager*

As Head of Mergence Unlisted Investments, Mark is responsible for overseeing all activities across the unlisted credit and unlisted equity asset portfolios. His career spans more than 16 years in the capital and investment markets. He started his career in property asset management at Sanlam Properties. Mark served his articles at PricewaterhouseCoopers in Cape Town, specialising in structured finance and financial services where he qualified as a chartered accountant. He then spent six years at Mettle Investments, a corporate finance and financial services boutique where he specialised in corporate finance, structured finance, specialist income funds and private equity transactions. Mark joined Mergence in 2010. He spent five years as portfolio manager of the Renewable Energy Debt Fund and the Mergence High Impact Debt Fund, one of only two GIIRS rated funds in South Africa. In 2014, Mark received the ABSIP Award for Best Alternative Asset/Fund Manager.

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